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Net plans need strategy first and technology second

PERSPECTIVE

by Jim Carroll

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I recently received a lovely brochure from a major telecommunications company, trumpeting the fact that they offered "the... most complete suite of services for... business ready to integrate the Internet into their corporate activities."

The only problem with the brochure was that it focuses only on the technical aspects of the Internet – i.e. how this company could help business with connectivity, software, hardware, security, Web site hosting, networking management, training and other issues. I looked at the brochure several times – but could find no mention of how this organization "could help in the design of an Internet strategy which makes strategic business sense."

Think about this brochure, and look at the many Internet advertisements and other brochures, that you see on a regular basis. What's amazing is that most of them, when they trumpet business strategy, tend to focus solely on the technology! And look around at the Internet projects happening all around you – many seem to be all about technology, not business strategy.

Combine these observations, with the fact that a lot of people are predicting that we are going to see a management backlash in 1996 against the Internet because many believe that it is not living up to its promises in terms of business opportunity.

Well, its no wonder we might see a backlash! We have a bunch of people running around dealing with Internet technology who haven't got a clue as to what the business strategy behind the Web initiatives should be. We have companies in the computer, telecommunications and Internet industries who can't seem to talk about business strategy at all; organizations that push product without any thought to the fundamental business problems that we should be using such technology to solve. We have a bunch of computer geeks, talking geek stuff, to a bunch of management people who are pleading for someone to talk business strategy! What a strange state of affairs! It's a problem that has really been bugging mean as of late.

The first question you must ask yourself is this. How can your organization achieve some type of achievable, and hopefully sustainable, competitive advantage by extending the reach of computer systems to those of customers, suppliers and trading partners through the Internet? The second question – how might we achieve significant cost savings and efficiencies in the relationship with our customers and suppliers through the use of the Internet? Organizations that approach the Internet from a strategic, not a technical perspective, should ask companies that offer help for Internet programs the question: "how can we re-engineer the business relationship with our customer/ supplier/ other parties using this technology? Where are the current problems in the current relationship, in terms of too much cost, inefficiencies in process or excessive lead time, that we might solve through the use of the Internet as a link to our customers?"

Organizations should really be dealing with these issues before they run around to deal with all the marvellous Internet technology that is out there. Strategy first, technology second. ▲